



MEMORANDUM

UNITED STATES GOVERNMENT

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Date: April 28, 1995

To: William F. Caton
Acting Secretary

From: Bruce A. Romano *(Signature)*
Deputy Chief, Policy and Rules Division
Mass Media Bureau

Subject: MM Docket No. 94-123, Review of the Prime Time Access Rule

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APR 28 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Please include in the docket record for the referenced rulemaking proceeding the attached information from the Bureau of Economics of the Federal Trade Commission, which was used to perform the regression analysis appearing in footnote 71 of their comments in this docket. Note that it is provided both in hard copy form and on a computer diskette.

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List A B C D E

This describes the data used by the staff of the Bureau of Economics of the Federal Trade Commission to perform the regression analysis appearing in footnote 71 of their comments in Docket No. 94-123.¹ The definitions and sources for the variables used in this analysis are as follows:

1. TVSTAT = total number of commercial television stations on-the-air. Source: Television & Cable Factbook, 1993 ed., p. I-7.
2. POP = total civilian noninstitutional population aged 16 or over. Source: 1993 Economic Report of the President, Table B-30.
3. CABLESUB = total estimated cable subscribers. Source: Television & Cable Factbook, 1993 ed., p. I-68.
4. REALPCY = real per capita disposable income. Source: 1993 Economic Report of the President, Table B-25.
5. PTARDUM = a dummy variable set equal to one for year > 1969, 0 otherwise.

The equation was estimated with Stata (version 3.1) using the "CORC" estimation procedure, which estimates a linear regression corrected for first-order serial correlation in the disturbances using the Cochrane-Orcutt iterative process.²

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	pop	realpcy	cablesub	tvstat	year	ptardum
1.	105231	6562	14	108	1952	0
2.	107256	6728	30	120	1953	0
3.	108321	6716	65	354	1954	0
4.	109683	6971	150	411	1955	0
5.	110954	7175	300	441	1956	0
6.	112265	7209	350	471	1957	0
7.	113727	7208	450	495	1958	0
8.	115329	7256	550	510	1959	0
9.	117245	7264	650	515	1960	0
10.	118771	7382	725	527	1961	0
11.	120153	7583	850	541	1962	0
12.	122416	7718	950	557	1963	0
13.	124485	8140	1085	564	1964	0
14.	126513	8508	1275	569	1965	0
15.	128058	8822	1575	585	1966	0

¹ Comments of the Staff of the Bureau of Economics of the Federal Trade Commission In re Review of the Prime Time Access Rule, Section 73.658(k) of the Commission's Rules, MM Docket No. 94-123, March 7, 1995.

² Cochrane and Orcutt, "Application of Least-Squares Regression to Relationships Containing Autocorrelated Error Terms," Journal of the American Statistical Association 44 (1949), 32-61.

16.	129874	9114	2100	610	1967	0
17.	132028	9399	2800	635	1968	0
18.	134335	9606	3600	662	1969	0
19.	137085	9875	4500	677	1970	1
20.	140216	10111	5300	682	1971	1
21.	144126	10414	6000	693	1972	1
22.	147096	11013	7300	697	1973	1
23.	150120	10832	8700	697	1974	1
24.	153153	10906	9800	706	1975	1
25.	156150	11192	10800	701	1976	1
26.	159033	11406	11900	711	1977	1
27.	161910	11851	13000	716	1978	1
28.	164863	12039	14100	724	1979	1
29.	167745	12005	16000	734	1980	1
30.	170130	12156	18300	756	1981	1
31.	172271	12146	21000	777	1982	1
32.	174215	12349	25000	813	1983	1
33.	176383	13029	29000	841	1984	1
34.	178206	13258	32000	883	1985	1
35.	180587	13552	37500	919	1986	1
36.	182753	13545	41000	968	1987	1
37.	184613	13890	44000	1028	1988	1
38.	186393	14005	47500	1061	1989	1
39.	188049	14068	50000	1092	1990	1
40.	189765	13886	51000	1098	1991	1
41.	191576	14017	53000	1118	1992	1

. corc tvstat pop realpcy cablesub ptardum

Iteration 0: rho = 0.0000
 Iteration 1: rho = 0.6950
 Iteration 2: rho = 0.7317
 Iteration 3: rho = 0.7477
 Iteration 4: rho = 0.7563
 Iteration 5: rho = 0.7613
 Iteration 6: rho = 0.7644
 Iteration 7: rho = 0.7664
 Iteration 8: rho = 0.7677

(Cochrane-Orcutt regression)

Source	SS	df	MS	Number of obs	=	40
Model	86582.3314	4	21645.5828	F(4, 35)	=	25.64
Residual	29543.981	35	844.113743	Prob > F	=	0.0000
Total	116126.312	39	2977.59775	R-squared	=	0.7456
				Adj R-squared	=	0.7165
				Root MSE	=	29.054

tvstat	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
pop	-.0008163	.0030826	-0.265	0.793	-.0070744 .0054417
realpcy	.0029704	.0275881	0.108	0.915	-.0530364 .0589772
cablesub	.0102014	.0023543	4.333	0.000	.0054219 .0149809
ptardum	12.99043	32.28955	0.402	0.690	-52.56083 78.54169
_iter	668.6553	254.5445	2.627	0.013	151.9025 1185.408
rho	0.7685	0.0337	22.835	0.000	0.7004 0.8366

Attachment A

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